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DIA, OSD and DOS review(s) completed.

TOP SECRETIAL

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#### GENERAL

- 1. British troops may remain in Greece "at least another year" -- The Commanding General British land forces in Creece has told US Ambassador MacVeagh that, in his opinion, British troops will remain in Greece until Soviet forces are withdrawn from Bulgaria "and possibly longer." The British commander "hazarded a guess" that the British occupation would continue for "at least another year." US Military Attache Athens has learned from British military authorities that only 4,000 of the approximately 28,500 British troops now in Greece are scheduled for withdrawal at present.
- 2. US to request lend-lease settlement discussions with USSR--The State Department will soon request the USSR to begin lend-lease settlement discussions in Washington. The discussions will not deal with any other economic questions pending between the US and the USSR.
- 3. Daily reports on US flights near Yugoslavia no longer required -- The War Department has notified Commanding Ceneral US Air Forces in Europe that the daily report of US flights in areas near Yugoslavia previously requested (see Daily Summary of 12 September, item 2) is no longer required, but that full information concerning such flights should be readily available.
- 4. Byrnes believes Paris Conference can close by 15 October -- Secretary Byrnes has assured Trygve Lie that the US declined to join in the request for postponement of the Assembly meeting until 23 October and certainly would not request any further postponement. Secretary Eyrnes' message concluded that "there is no good reason why the Feace Conference cannot finish its work by 15 October."
- 5. Icelandic Premier to expedite base negotiations -- US Legation Reykjavik reports that Icelandic Frime Minister Olafur Thors now desires to expedite the base negotiations and is "about ready for a showdown" with the Communists.
- 6. British insist on maintaining Gibraltar cable relay--Bevin has informed Secretary Byrnes by personal letter that the British are prepared to return the submarine cables to Italy (see Daily Summary of 11 September, item 5), but that the British-controlled Gibraltar relay point must be maintained. Document No.

NO	CHANGE	in	Class.	
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# CONFIDENTIAL

### **EUROPE**

- 7. BULGARIA: Soviet troop movements—AFHQ Caserta and US Delegate ACC Sofia report that, according to reliable sources, the Soviets are (a) concentrating and regrouping armored units in southeastern Bulgaria; (b) planning to move troops from Rumania to Bulgaria; and (c) requesting winter billets for families of Soviet officers. AFHQ believes that the influx of families indicates the Soviets expect "a calm period." The movement from Rumania may have been caused by drought and famine there, and the units being moved are "well under strength."
- 8. AUSTRIA: Significance of gestures toward USSR--US Charge Denby reports that Figl and Gruber recently indicated to a US official that Austria would have to conciliate the Soviets in order to attain the "major objective" of getting them out of Austria. The Austrian leaders hope that the US will understand such actions which might "appear" to indicate an "eastern orientation" in Austrian policy.
- 9. FRANCE: De Gaulle sees role as anti-Communist leader--According to Caffery, "qualified political observers" believe that De Gaulle is convinced that France will ultimately be divided into Communist and anti-Communist forces and that he will be the only man strong enough to lead successfully the anti-Communists in the event of a serious crisis.
- 10. ITALY: Strong anti-Soviet reactions indicated—AFHQ Italy reports that a violent anti-Soviet press campaign followed Vyshinski's recent comments on the Italians and that the Communists are losing ground heavily throughout Northwest Italy.

#### NEAR EAST-AFRICA

11. IRAN: Firuz charges British intrigue in South--US Ambassador Allen reports that Frince Firuz, in a recent discussion, bitterly denounced British policy in Iran and claimed to have signed statements proving British intrigue in Southern Iran. (Allen believes it not improbable that Firuz has documents that would embarrass the British if published.) Firuz also intimated that, as a result of British intrigue, his Government must concentrate on maintaining its authority in the South, and

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may have to surrender to pro-Soviet desires in the North.

12. FRENCH NORTH AFRICA: Fossible uprising—According to US Military Attache Paris, "responsible French authorities" fear the Communist-inspired Nationalists in North Africa may stage an open revolt and that existing French forces there may not be able to cope with it.

#### FAR EAST

13. JAPAN: Anti-US activities of Soviet representatives—SCAP charges that the Soviet member of the Allied Council and his staff of more than 400 are combatting the US occupation of Japan by propaganda and agitation. He adds that Soviet troops are guilty of general lawlessness, extending to hit and run driving, and that Soviet authorities have thwarted efforts of the military police to punish offenders.

Increasing Soviet hostility to SCAF predicted--US Military Attache Moscow reports that the Soviet press has launched its strongest attacks to date on General MacArthur. The MA points out that Moscow's attitude toward the US occupation has become noticeably more hostile in recent weeks, and concludes that SCAF may expect increasing opposition in the future.

- 14. INDIA: Moslem League Ministry in Bengal likely to continue—US Consul General Calcutta reports that Fremier Suhrawardy's Ministry will probably not be defeated in the Bengal Legislative Assembly on the issue of communal riots, and that European and even Congress leaders believe that the Ministry's continuance will decrease the likelihood of further immediate trouble in Bengal.
- 15. BURMA: General strike expected in Rangoon—US Consul General Rangoon reports that the current police strike may develop into a general strike at any moment as a result of popular dissatisfaction with official threats to evict families of striking policemen and with Governor Rance's recent announcement that no "epoch-making changes" will be forthcoming in the immediate future.